



Patrick W. Turner  
General Attorney-South Carolina  
Legal Department

AT&T South Carolina  
1600 Williams Street  
Suite 5200  
Columbia, SC 29201

T: 803.401-2900  
F: 803.254.1731  
pt1285@att.com  
www.att.com

October 25, 2013

The Honorable Jocelyn Boyd  
Chief Clerk of the Commission  
Public Service Commission of South Carolina  
Post Office Drawer 11649  
Columbia, South Carolina 29211

Re: AT&T South Carolina's Petition to Withdraw Funds from the State USF to  
Support Stand-Alone Basic Residential Lines Pursuant to S.C. Code Ann. §58-9-  
576(C)(9)(c)  
Docket No. 2011-406-C

Dear Ms. Boyd:

Enclosed for filing is AT&T South Carolina's Verified Direct Testimony of Kenneth E. Minzenberger in the above-referenced matter.

By copy of this letter, I am serving all parties of record with a copy of this pleading as indicated on the attached Certificate of Service.

Sincerely,

A handwritten signature in black ink that reads "Patrick W. Turner". The signature is written in a cursive, flowing style.

Patrick W. Turner

PWT/nml  
Enclosure  
cc: All Parties of Record  
1091204

1 AT&T SOUTH CAROLINA'S  
2 VERIFIED DIRECT TESTIMONY OF KENNETH E. MINZENBERGER  
3 BEFORE THE PUBLIC SERVICE COMMISSION  
4 OF SOUTH CAROLINA  
5 DOCKET NO. 2011-406-C  
6 OCTOBER 25, 2013  
7

8 Q. PLEASE STATE YOUR NAME, YOUR EMPLOYER, AND YOUR  
9 BUSINESS ADDRESS.  
10

11 A. My name is Kenneth E. Minzenberger. I am employed by AT&T Services, Inc.  
12 as an Area Manager – Public Policy. My business address is 1057 Lenox Park  
13 Boulevard NE, Atlanta GA 30319.  
14

15 Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF YOUR BACKGROUND  
16 AND EXPERIENCE.  
17

18 A. I have been employed by AT&T Services, Inc. and its predecessor entities for  
19 over 40 years. I have been in AT&T Services, Inc.'s Public Policy organization  
20 since December 2006, and during that time I have been responsible for preparing  
21 information that AT&T South Carolina submits annually to the South Carolina  
22 Office of Regulatory Staff pursuant to various Orders the Commission has entered  
23 in the State USF Docket (Docket No. 1997-239-C).

1 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

2

3 A. The purpose of my testimony is to provide information in support of the Notice of  
4 Filing Calculation of State USF Support ("Notice") that AT&T South Carolina  
5 filed with the Commission on July 1, 2013. In compliance with the  
6 Commission's January 17, 2012 Order in this Docket, this Notice provides  
7 calculations supporting the amounts that AT&T South Carolina seeks to withdraw  
8 from the State USF for the upcoming 2014 State USF Fund year in support of the  
9 stand-alone basic residential lines that were in service as of October 1, 2009 and  
10 that remain in service.<sup>1</sup>

11

12 Q. ARE THE AMOUNTS OF SUPPORT AND THE NUMBER OF STAND-  
13 ALONE BASIC RESIDENTIAL LINES THAT YOU ADDRESS IN THIS  
14 TESTIMONY THE SAME AS WHAT IS SET OUT IN THE NOTICE AT&T  
15 SOUTH CAROLINA FILED?

16

17 A. No. As explained below, AT&T South Carolina is now seeking to withdraw  
18 \$628,749 (\$85,725 less than the amount set out in the Notice) from the State USF  
19 for the upcoming 2014 State USF Fund year in support of the 12,656 (1,749 less

---

<sup>1</sup> This is in addition to the amounts AT&T South Carolina is entitled to continue withdrawing from the State USF that are needed to fund the state Lifeline match that is necessary to ensure that low-income persons enrolled in the Lifeline program receive the maximum federally funded Lifeline amounts available. See S.C. Code Ann. §58-9-576(C)(9)(d).

1           than the number set forth in the Notice) stand-alone basic residential lines that were  
2           in service as of October 1, 2009 and that remain in service.

3  
4   Q.   PLEASE EXPLAIN WHY AT&T SOUTH CAROLINA IS SEEKING LESS  
5       SUPPORT FOR FEWER LINES THAN IS SET FORTH IN ITS NOTICE.

6  
7   A.   As it has done in the past, AT&T South Carolina provided the Office of  
8       Regulatory Staff (“ORS”) the calculations supporting the amounts described in its  
9       Notice. At ORS’ request, AT&T South Carolina also provided ORS a sample of  
10      bills associated with these lines. ORS’ review of that sample revealed a recurring  
11      charge for a maintenance plan on one of those bills, which means that line does  
12      not meet the statutory definition of a stand-alone basic residential line. ORS  
13      asked AT&T South Carolina to re-visit its calculation of the number of lines for  
14      which it seeks State USF support and to adjust the amount of requested support  
15      accordingly. In the course of doing so, AT&T South Carolina identified 1,749  
16      lines that do not qualify for State USF support under the statutory plan applicable  
17      to AT&T South Carolina because they include recurring charges for: toll plans  
18      provided by an affiliate of the AT&T ILEC; maintenance plans; and/or  
19      customized code restrictions. Accordingly, we are removing \$85,725 of support  
20      associated with those 1,749 lines from our request.

21  
22   Q.   DID AT&T SOUTH CAROLINA IDENTIFY SIMILAR ISSUES THAT MAY  
23       HAVE RESULTED IN IT INADVERTENTLY SEEKING STATE USF

1 SUPPORT FOR LINES THAT DID NOT QUALIFY FOR SUCH SUPPORT IN  
2 ITS 2011 AND 2012 REQUESTS?

3  
4 A. The review I describe did not consider AT&T South Carolina's 2011 and 2012  
5 requests for State USF support.<sup>2</sup> That said, given that the methodology used to  
6 support the current 2013 request was similar, if not identical, to the methodology  
7 used to support AT&T South Carolina's 2011 and 2012 requests, it is likely that  
8 AT&T South Carolina inadvertently sought (and received) more State USF  
9 support in its 2011 and 2012 requests than it was entitled.

10  
11 Q. HOW DOES AT&T SOUTH CAROLINA ASK THE COMMISSION TO  
12 ADDRESS THAT LIKELIHOOD?

13  
14 A. We ask that the Commission direct AT&T South Carolina to work with the ORS  
15 to determine the amount of any "overages" in the support it has received as a  
16 result of its 2011 and 2012 requests and to file in this docket a proposal for  
17 equitably remedying any such overcharges.

18  
19 Q. SHOULD THE COMMISSION HOLD AT&T'S 2013 REQUEST FOR STATE  
20 USF SUPPORT IN ABEYANCE PENDING THE COMMISSION'S ACTIONS  
21 ON THAT PROPOSAL?

22  

---

<sup>2</sup> These are the only other requests for State USF support that AT&T South Carolina has filed pursuant to S.C. Code Ann. §58-9-576(C)(9)(c).

1 A. No. The ORS needs to know the aggregate amount of approved State USF  
2 support so that it can calculate the State USF surcharge amount that carriers apply  
3 to their bills (in accordance with the Commission's rules, orders, and guidelines)  
4 to recover their contributions into the State USF. Delaying a ruling on AT&T  
5 South Carolina's request for support, therefore, would adversely impact the ORS  
6 and other members of the industry. And, as explained above, the amount of State  
7 USF support AT&T South Carolina seeks in this testimony have been adjusted to  
8 ensure that it does not include support for lines that do not qualify for it.  
9

10 Q. SUBJECT TO THE FOREGOING EXPLANATION, HOW MANY OF AT&T  
11 SOUTH CAROLINA'S STAND-ALONE BASIC RESIDENTIAL LINES THAT  
12 WERE IN SERVICE AS OF OCTOBER 1, 2009 REMAIN IN SERVICE?  
13

14 A. 12,656.  
15

16 Q. HOW DID AT&T SOUTH CAROLINA CONFIRM THAT THESE 12,656  
17 STAND-ALONE BASIC RESIDENTIAL LINES WERE IN SERVICE AS OF  
18 OCTOBER 1, 2009?  
19

20 A. In October 2009, AT&T South Carolina ran a database query to identify each line  
21 in South Carolina that met the statutory definition of a stand-alone basic  
22 residential line and that was in service as of October 1, 2009 (the effective date of

1 AT&T South Carolina's election to operate pursuant to Section 58-9-576(C)).

2 AT&T South Carolina retains a copy of the results of this query.

3

4 In March 2013, AT&T ran a database query to identify each line in South  
5 Carolina that met the statutory definition of a stand-alone basic residential line as  
6 of December 2012. As described above, following the ORS's review of a sample  
7 of AT&T's bills, AT&T reviewed the results of this query and removed 1,749  
8 lines that did not qualify for State USF support.

9

10 The number of lines identified in both the 2009 query and the 2013 query  
11 (adjusted as described above) – that is, the number of stand-alone basic residential  
12 lines that were in service as of October 1, 2009 and that remain in service – is  
13 12,656.

14

15 Q. HOW MUCH SUPPORT IS AT&T SOUTH CAROLINA SEEKING TO  
16 WITHDRAW FROM THE STATE USF BASED ON THESE 12,656 STAND-  
17 ALONE BASIC RESIDENTIAL LINES?

18

19 A. \$ 628,749.

20

21 Q. HOW DID AT&T SOUTH CAROLINA CALCULATE THIS \$628,749  
22 AMOUNT?

23

1 A. On July 1 of each year, in accordance with Commission Orders entered in Docket  
2 Number 97-239-C (including without limitation Order Nos. 2001-996, 2005-7,  
3 2005-139, and 2005-185), AT&T South Carolina provides the South Carolina  
4 Office of Regulatory Staff (“ORS”) confidential and proprietary information  
5 related to the State USF. This information includes the calculation, on a wire-  
6 center-by-wire-center basis, of “Phase I Support for Residence Line” in  
7 accordance with the Universal Service Fund Guidelines and Administrative  
8 Procedures the Commission adopted in Order No. 2001-996.

9  
10 The \$628,749 in State USF support AT&T South Carolina seeks in the Petition is  
11 the result of multiplying each of the 12,656 lines identified above by the annual  
12 “Phase I Support for Residence Line” amount (as set forth in the confidential and  
13 proprietary information AT&T provided to the Commission and ORS on July 1,  
14 2011) for the wire center from which the line is served.

15  
16 Q. DURING WHAT TIME PERIOD IS AT&T SOUTH CAROLINA SEEKING TO  
17 WITHDRAW THIS \$628,749 OF SUPPORT?

18  
19 A. The upcoming 2014 State USF Fund year.

20  
21 Q. HAS AT&T SOUTH CAROLINA PROVIDED THE OFFICE OF  
22 REGULATORY STAFF (“ORS”) THE CALCULATIONS SUPPORTING THE  
23 MODIFIED AMOUNT OF \$628,749 THAT IT SEEKS TO WITHDRAW



1 FROM THE STATE USF FOR THE UPCOMING 2014 STATE USF FUND  
2 YEAR?

3

4 A. Yes, but only recently. Accordingly, ORS has not yet had the opportunity to  
5 review this information or to determine its position on AT&T South Carolina's  
6 request as modified and explained in this testimony.

7

8 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

9

10 A. Yes.

11 1091151

**AFFIDAVIT**

STATE OF Georgia )  
 )  
COUNTY OF Cobb )

Before me, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid personally came and appeared Kenneth E. Minzenberger who, being by me first duly sworn, deposed and said that:

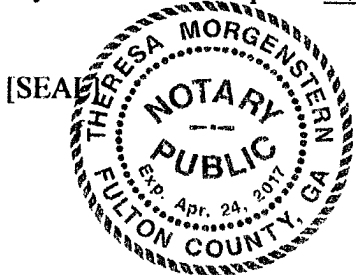
1. I, Kenneth E. Minzenberger, am Area Manager – Pubic Policy, AT&T Services, Inc.
2. I have read my foregoing pre-filed testimony, which is dated October 25, 2013 and which consists of eight pages and no exhibits.
3. The contents of my foregoing testimony are true to the best of my knowledge.

Kenneth E. Minzenberger  
AFFIANT

Sworn to and subscribed before me this 25 day of October, 2013.

Theresa Morgenstern  
NOTARY PUBLIC

My Commission Expires: April 24, 2017



# CERTIFICATE OF SERVICE

Minzenberger in Docket No. 2011-406-C to be served upon the following on October 25, 2013:

**(Electronic Mail)**

**(Electronic Mail)**

**(Electronic Mail)**

**(Electronic Mail)**

Nyla M. Laney